

# Declaration of conformity Allianz SE

Reporting year 2015

Indicator set GRI 4 & EFFAS

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Corporate Responsibility

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## General Information

*Business purpose, services and products:*

The Allianz Group is a global financial services provider with services predominantly in the insurance and asset management business. 85 million retail and corporate clients in more than 70 countries rely on our knowledge, global presence, financial strength and solidity. In fiscal year 2015 over 142,000 employees worldwide achieved total revenues of 125.2 billion euros and an operating profit of 10.7 billion euros. Allianz SE, the parent company, is headquartered in Munich, Germany.

### Insurance business

Our retail and corporate clients enjoy an extensive product selection in all insurance business lines, designed to protect them against any risks. We are the world's number one property and casualty insurer and are among the top five companies in life and health insurance.

Most markets are served by local Allianz companies; in addition, there are also business areas with a global reach, for example the insurance of global corporate customers, credit insurance, assistance services and re-insurance.

### Asset Management

As of December 31, 2015, with approximately 1,800 billion euros assets under management, we are one of the largest asset managers in the world managing assets with active investment strategies.

We run the Asset Management business out of two distinct investment management businesses, Allianz Global Investors (AllianzGI) and PIMCO. Both units operate under Allianz Asset Management (AAM).

Particular strongholds include the United States, Germany, France, Italy, the United Kingdom and the Asia-Pacific region. As of December 31, 2015, Allianz managed 1,276 billion euros of third-party assets.

### Our strengths:

- World's largest Property and Casualty insurer
- Among the top 5 active asset managers worldwide
- Leading strategic partner to the automotive industry
- Among the top 5 life/health insurers worldwide
- Global leader in credit insurance
- Worldwide leader in travel insurance and assistance services

*Additional remarks (eg indication of external audit):*

Environmental data and donations are audited by KMPG. Verification documents can be found [here](#).

## Strategy - 1. Strategic Analysis and Action

*01. The company discloses how it analyses the opportunities and risks of its major activities in the context of sustainable development. The company explains what concrete measures it is undertaking to operate in compliance with the essential and recognized sector-specific, national and international standards.*

Sustainable development means creating long-term economic value with a forward-thinking approach to corporate governance, environmental stewardship and social responsibility. This is fundamental to our day-to-day insurance and asset management business, as we have to deliver on our promises to customers not only today, but also in 20 or 30 years from now. Over our 125-year history, we have built systems and processes that enable us to do business in a sustainable way.

Our 2015 Sustainability Report has been prepared according to the Global Reporting Initiative (GRI) Guidelines (version 4.0) and its Financial Services Sector Supplement. This indicates that we fulfill the highest requirements of the international sustainability reporting standard and have had parts of the Report externally assured. We are currently in transition to the GRI G4 Guideline. We have been a participant in the United Nations Global Compact since 2002. We have also supported the German Sustainability Code (GSC) since its launch in 2011, and we were one of the first companies to report in

accordance with its principles.

We are also signatories to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI), a global sustainability framework and initiative of the UNEP FI. Allianz SE and our third-party asset managers Allianz Global Investors and the Pacific Investment Management Company (PIMCO) are signatories to the UN-supported Principles for Responsible Investment (PRI), a network of international investors representing more than USD 59 TRN of assets under management. In addition to participating in working groups, each year, Allianz SE as an asset owner, as well as Allianz Global Investors and PIMCO, as asset managers, report on the Progress made implementing the PRI.

For more information please visit our [Sustainability Report 2015](#) (p. 19)

*02. The company discloses what aspects of sustainability have a significant impact on its business operations and how, in its strategy, it takes them into account and systematically addresses them.*

Our materiality approach is guided by a number of voluntary international standards and guidelines, such as the Global Reporting Initiative (GRI) G4 guidelines, a range of sustainability indices and through our engagement in expert working groups such as the United Nations Environment Programme Finance Initiative. We use a wide variety of methods such as conferences, workshops, road shows, surveys, face-to-face interviews and peer reviews, to determine our material issues.

We work with different stakeholder groups to identify what is materially important for sustainable development at Allianz. This helps us focus the development of our sustainability activities and report in the right areas. Our material issues are those deemed to be crucial for business success, while also important to stakeholders.

The approach we take to environmental, social and governance (ESG) issues is not a sustainability 'add-on'; it is part of everyday decision-making. As an insurer, we carefully manage ESG risks in underwriting, as an investor of our proprietary assets we incorporate ESG factors into our investment process and as an asset manager of third-party assets through PIMCO and Allianz Global Investors we systematically integrate the evaluation of ESG risks and opportunities into our investment decisions.

For more information please see our [Sustainability Report 2015](#) p. 19 ff. and p. 76

#### Material issue 1: Climate Change

As an industry that is both highly sensitive to extreme weather and a major institutional investor with material exposure to the impacts of climate change, we focus on three climate change related priorities: to anticipate the risks of climate change; care for customers and people who have to deal with the inevitable changes; and enable the transition to the low-carbon society. For more information about our targets please see our [Sustainability Report 2015](#) p. 57.

#### Material issue 2: Digitalization

Through online technologies, customers can find out about, buy and interact with our products wherever they can access internet or mobile connections. In this digital landscape, it is our priority that the customer's experience is consistent on- or offline. This has meant simplifying our product range and developing agile online systems such as our 'FastQuote' process. For more information about our targets please see our [Allianz Capital Markets Day presentation](#) slides A29-A32.

#### Material issue 3: Customer Engagement and Satisfaction

Achieving True Customer Centricity is at the core of our agenda. We aim for an outstanding customer experience by gaining a better understanding of our customers' needs and tailoring our services to meet those needs. For instance, systematic customer experience management will help us identify and enhance drivers of satisfaction along the customers journeys. "Fast" product and service solutions will provide an immediate response experience to customers in all our local entities. For more information about our targets please see our [Allianz Capital Markets Day presentation](#) slide A26.

*03. The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals are set and operationalized, and how their level of achievement is monitored.*

#### Material issue 1: Climate strategy

Please find the detailed description of our targets in our [Sustainability Report 2015](#) p. 57.

Allianz operates an annual mid-term bonus based on Group strategic targets. CO<sub>2</sub> targets are incorporated into these performance metrics and all employees are assessed against the Allianz People Letter/Code of Conduct which incorporates environmental commitments. The ESG Board of Allianz is committed to achieving our public targets. Our long-term (2020) environmental targets are agreed at Board level and cascaded to all relevant functions tasked with delivering. In addition, our Digitalization strategy is influenced by our performance on delivery of our climate related targets.

For 10 years, our climate change strategy has been a key element of our approach to sustainable development as it goes to the heart of our business model of protecting people and businesses from risk. The strategy commits us to play a leading role in supporting the development of a low-carbon and climate-resilient economy in our three roles, as insurer, as investor and in our own operations. Investing in a low-carbon economy presents multiple opportunities and we are scaling up funding of renewable energy, increasing our range of sustainable products for customers, and managing our own impact through our climate change strategy. By investing our proprietary assets in energy-efficient real estate and renewable energy, we help reduce climate emissions and create economic growth. Furthermore, in November 2015, we decided to stop financing coal-based business models.

As a leader in the microinsurance sector, we are already covering 58.6 MN low-income people in Asia, Africa and Latin America with affordable insurance solutions. Additionally, Allianz Re is a founding partner of RIICE (Remote sensing-based Information and Insurance for Crops in Emerging economies). This

multi-stakeholder partnership aims to provide governments and nongovernmental organizations with better information on rice crop growth. Radar images determine how crops are developing, and Allianz uses this to develop insurance solutions for farmers. RIICE is currently being tested in Bangladesh, Cambodia, India, Indonesia, the Philippines, Thailand and Vietnam.

#### **Material issue 2: Social Inclusion and digitalization**

Please find the detailed description of our targets in our [Allianz Capital Markets Day presentation](#) slides A29-A32.

The use of mobile technologies will become critical to all markets but specifically for our microinsurance customers. Our Digital by Default strategy is already helping us respond to this trend. It is clear that access to finance will go hand-in-hand with access to digital technologies for many – particularly in emerging economies, where microinsurance has already proven to be a driver of digital innovation. Digitalization is enabling social inclusion but it comes with data security risks and our responsibility is to balance universal access and protecting customer privacy.

All entities, and CEOs have targets for digitalization in their compensation (Annual/Mid-term bonus). Action is required along two major levers - unlocking the digital dividend and building new digital value. This means compensation in the field of digitalization is linked to:

- a) Simple digital product design to reduce overall complexity, esp. for the customer;
- b) Digital communication by default, paper as exception;
- c) Significant productivity gains by digitalization of our major processes;
- d) New digital products and services to serve emerging needs of our clients and partners, e.g., protection against cyber risks, solutions for sharing economy;
- e) Digital ventures to capture new business model innovations (esp. FinTechs) and to scale them up rapidly within Allianz;
- f) Expand big data and analytics capabilities.

*04. The company states what significance aspects of sustainability have for added value and how deep into the value-added chain the sustainability criteria are verified.*

All vendors must abide by the environmental, social and governance standards outlined in the Allianz Code of Conduct, Procurement Policy and Purchasing Principles. Both the Code and the Principles are aligned with International Labor Organization (ILO) standards and the United Nations Global Compact.

As a financial services provider, our supply chain is primarily related to products and services that Support our operations. This includes facility services and logistics, building maintenance and projects, IT systems – hardware and software, insurance, lease cars and business travel, marketing and communications support, and other professional services.

To ensure vendors comply with our sustainability standards, we enforce:

- Vendor Integrity Screening to ensure comprehensive due diligence is completed before a vendor is engaged; and
- a Vendor Selection Process for global vendors – a sustainability questionnaire tailored to the potential risks for their sector.

To assist our procurement departments globally in understanding the risks associated with vendors, we maintain a global database listing all vendors that have undergone Vendor Integrity Screening. The database is accessible by all procurement departments and shows vendor ratings for specific risks in low, medium and high categories.

In 2015, we began to roll out a Vendor Code of Conduct, in collaboration with a range of our internal stakeholders. Based on the Code, vendors (with a contract value over a certain threshold set locally) must:

- comply with country laws and regulations, as well as any Allianz Policies for that country;
- not engage in active or passive bribery or corruption;
- disclose all actual or potential conflicts of interest;
- compete fairly and in line with relevant Anti-Trust laws;
- not engage in, support or tolerate any activity in connection with money laundering or terror financing;
- provide a workplace free of inhumane or discriminatory treatment;
- respect ILO standards, particularly against child labor; and
- comply with all applicable laws and regulations, industry standards, agreements and Guidelines regarding the environment and sustainability.

For further information on our approach on ESG integration in our business please see the [ESG Integration Framework](#)

The procurement supply chain is only one part of the whole value chain, and as such, it is not seen as one of our material issues. The broader value chain, which relates to our core business, is considered elsewhere in the Sustainability Code. For more information regarding that please see the Strategy -> Materiality chapter of the Sustainability Code, where our material issues and ESG approach in investments and insurance are included.

## **Process Management - Rules and Processes**

*05. Accountability in the corporate management with regard to sustainability is disclosed.*

The responsibilities of our Group-level sustainability management include managing the strategic framework for Group-wide sustainability activities, developing and introducing relevant policies, and supporting operating entities in integrating the Group's strategic approach and policies.

The highest governing body for sustainability-related issues is the ESG Board, which was established in 2012. It consists of three Allianz SE Board members, who meet quarterly. The ESG Board is responsible for integrating ESG into all business lines and core processes dealing with insurance and investment decisions. It also leads associated stakeholder engagement.

Several Board members assume responsibility for specific sustainability topics, and functional departments provide regular updates on sustainability issues directly to the Board.

Our Group sustainability management is made up of to Centers of Competence – Allianz4Good and the ESG Office. Allianz4Good reports directly to the Allianz SE Board member responsible for investments. Besides supporting the Board on strategic decisions relating to sustainability topics, this unit is accountable for:

- sustainability strategy and management;
- community engagement;
- environmental management including the carbon reduction strategy for our own operations;
- sustainability ratings and reporting; and
- establishing and integrating processes for local operating entities.

The ESG Office reports directly to the Allianz SE Board member responsible for Asset Management Worldwide and Insurance USA and chair of the ESG Board. As well as preparing and steering the ESG Board meetings, this unit is responsible for:

- developing viewpoints on selected ESG topics;
- implementing guidelines and decisions taken by the ESG Board;
- supporting the alignment and monitoring of ESG implementation in business lines (insurance and investments); and
- steering dialogue with internal and external stakeholders, particularly NGOs.

*06. The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.*

Our sustainability strategy goes in line with the following policies:

- Allianz Climate Change Strategy
- Allianz Code of Conduct
- Allianz Lobbying Code of Conduct
- Allianz Principles of Social Engagement
- Allianz ESG Integration Framework 2016

You can find our policies in the [following link](#).

*07. The company discloses how and what performance indicators on sustainability are integrated into its periodical internal planning and control and how the reliability, comparability and consistency of the data applied to internal controls and external communication are safeguarded through appropriate processes.*

The highest governing body for sustainability-related issues is the ESG Board, which was established in 2012. It consists of three Allianz SE Board members, who meet quarterly. The ESG Board is responsible for integrating ESG into all business lines and core processes dealing with insurance and investment decisions. It also leads associated stakeholder engagement.

In addition to the ESG Board, several committees with Board member leadership play an important role in our decision-making processes:

- Group Finance and Risk Committee: oversees risk management and monitoring, including sustainability risk. The Committee is the escalation point for ESG-related topics, based on analysis and deliberations within the ESG Board.
- Group Underwriting Committee: monitors the underwriting business and its risk management, as well as developing new underwriting policy and strategy.
- Group Investment Committee: monitors the Group's investment policy.

## Key Performance Indicators to criteria 5 to 7

*Key Performance Indicator G4-56*

Describe the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics. [Link](#)

The Allianz Code of Conduct for Business Ethics and Compliance establishes minimum standards of conduct for all Allianz employees worldwide, based on principles of trust and integrity. In addition, our Code of Ethics focuses on the ethical responsibilities of the Board, in particular in relation to handling potential conflicts of interest and standards of corporate disclosure. Separate standards apply to each risk area. Together, these standards cover employee ethical behavior, both personally and professionally.

We take a zero-tolerance approach to fraud and corruption. At a minimum, that means complying fully with local and international anti-corruption and anti-bribery laws, including the 4th EU Anti-Money Laundering Directive, the Foreign Account Tax Compliance Act and the Market Abuse Regulation. But it also means going further than compliance. The Allianz Anti-Corruption Program is a Group-wide initiative that sets standards and ensures we have a consistent and comprehensive approach in every jurisdiction.

Aimed at both employees and third parties with whom we do business, the program and policy prohibit the offer, acceptance, payment or authorization of any bribe or any other form of corruption, whether with the private sector or with governments. All operating entities are required to perform an annual anti-corruption and anti-fraud risk assessment, which is then monitored by a global tracking tool. Further assessments, onsite reviews and follow-ups are conducted as necessary. Anti-corruption training is compulsory for all employees with online and in-class trainings held in more than 20 languages.

*Key Performance Indicator EFFAS S06-01*

*Percentage of total suppliers and supply chain partners screened for conformity in accordance with ESG-criteria. [Link](#)*

All vendors must abide by the environmental, social and governance standards outlined in the Allianz Code of Conduct, Procurement Policy and Purchasing Principles. Both the Code and the Principles are aligned with International Labor Organization (ILO) standards and the United Nations Global Compact.

As a financial services provider, our supply chain is primarily related to products and services that support our operations. This includes facility services and logistics, building maintenance and projects, IT systems – hardware and software, insurance, lease cars and business travel, marketing and communications support, and other professional services.

## Process Management - Incentive Schemes

*08. The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned towards long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board / managing directors) conducted by the monitoring body (supervisory board / advisory board).*

A detailed remuneration report can be found in the [Group Annual Report 2015](#) (p.37 ff.). This report covers the remuneration arrangements for the Board of Management and the Supervisory Board of Allianz SE.

The report has been prepared in accordance with the requirements of the German Commercial Code (HGB) and the International Financial Reporting Standards (IFRS). It also takes into account the relevant regulatory provisions and the recommendations of the German Corporate Governance Code.

The remuneration and incentive structures at Allianz are designed to encourage sustainable value creation and offer both monetary and non-monetary rewards. We place a strong emphasis on the development of both technical expertise and leadership skills across all business functions as key drivers for sustainable and profitable growth. For more information on our remuneration system please see our [Sustainability Report, page 59](#).

As part of our Renewal Agenda a People Letter has been introduced, aiming to systematically integrate cultural change into performance management where both people and performance matter. The assessment of all executives is based on target behaviours defined in the People Letter and evaluated by annual Multi-Rater feedback. The People Letter defines four globally consistent people attributes and includes a behavioral reference to Corporate Responsibility as follows: We act transparently and promote corporate social responsibility. For more information on our targets please see our [Allianz Capital Markets Day presentation slides A38-A40](#).

## Key Performance Indicators to criteria 8

*Key Performance Indicator G4-51a*

*Remuneration policies – report the remuneration policies for the highest governance body and senior executives. [Link](#)*

Information regarding the remuneration policies for the highest governance body and senior executives can be found on our website [Remuneration of the Board of Management](#).

*Key Performance Indicator G4-54*

*Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country. [Link](#)*

Information regarding the remuneration structure can be found in the [Remuneration Report 2015](#) of our Annual Report.

## Process Management - Stakeholder Engagement

*09. The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It is disclosed whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.*

As a multinational business in a globalizing world, the issues we face are diverse and interconnected. We believe that it is only by working with a broad range of individuals and organizations that we can understand how these issues affect our products and services – as well as how we can develop our long-term business.

Besides our many commitments to and memberships of international and national sustainability bodies which we list in the appendix of this report, we target our stakeholder engagement activities at four main stakeholder groups who we either impact directly or who are impacted by our business.

In addition, we also conduct more general structured dialogue through a number of Group-level engagements including:

- a global stakeholder expectations survey, conducted every two years (most recently in late 2014, with results announced in 2015), which targets politicians, the media, non-governmental organizations, scientists, corporations and our own top management;
- a biannual Global Issues Forum for internal and experts to discuss emerging issues. The latest, held in September 2015, focused on the impact of digitalization on employment in services;
- the annual Berlin Demography Forum, founded by Allianz in 2011 in cooperation with the German Federal Ministry of Family Affairs, Senior Citizens, Women and Youth, brings together experts from politics, business, academia and civil society (events are published on their web presence); and
- our ESG dialogues as structured exchanges with NGOs.

For more information about our stakeholder engagement please see our [Sustainability Report 2015, pages 26-27](#).

## Key Performance Indicators to criteria 9

*Key Performance Indicator G4-27*

*Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns. [Link](#)*

See our [Sustainability Report 2015](#) p. 76 'Material issues and aspects'

## Process Management - Innovation Management

*10. The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilization of resources and with regard to users. Likewise, a further statement is made with regard as to how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.*

We provide over 150 sustainable products for our customers, ranging from special tariffs for electric cars, to green home coverage and crop insurance. We also manage a wide range of sustainable and responsible investment (SRI) funds for customers totaling EUR 103 BN of AuM. We are a leading insurer for renewable energy projects, covering solar and wind projects from Germany to Mongolia.

Renewable energies and low-carbon infrastructure are an attractive growth market. They provide portfolio diversification, which spreads risks, and can offer sound long-term returns. We have committed to at least double our investments in renewable energies from EUR 2.5 BN to EUR 5 BN. In 2015, in partnership with Fraunhofer ISE1 and VDE Institute we developed a comprehensive risk assessment and certification for solar energy projects. This will give investors, commercial banks and insurance companies greater confidence in renewable energy projects also in emerging markets.

Public-private partnerships like the Global Innovation Lab for Climate Finance are equally important to enable the transition. Allianz has been involved on the Board of the Lab and in an advisory capacity at working level, exploring new ways of financing climate action, such as developing an insurance solution for energy efficiency projects.

## Key Performance Indicators to criteria 10

Key Performance Indicator G4-EN6  
Reduction of energy consumption. [Link](#)

25.7% energy reduction (baseline 2010)

Key Performance Indicator G4-FS11  
Percentage of assets subject to positive and negative environmental or social screening. [Link](#)

During 2015 405 transactions for our insurance and investment business were assessed for ESG considerations against our sensitive business guidelines (47% approved, 50% with conditional approval, and 3% declined).

Key Performance Indicator EFFAS V04-13  
Percentage of products or services for: - Increasing eco-efficiency of client applications or operation, - developing and using clean technologies, - offsetting climate change, carbon emissions, resource depletion, - increasing fuel-efficiency, - making ESG-relevant products operable (e.g. smart metering, green building technologies) - financing of ESG-relevant products and services. [Link](#)

In 2015 we offered 151 Green Solutions (e.g. mileage-based tariffs, green life insurance, renewable energy infrastructure and crop protection products), including asset management solutions.

## Environment - Resources

11. The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, emissions, land and biodiversity as well as emissions for the life cycles of products and services.

As a business that deals with risk, managing our environmental impact has always been very important to us. Our materiality exercise continues to show that climate change is our key environmental risk and opportunity. For this reason, we prioritize carbon reduction also in our own activities to reduce the environmental footprint of our operations.

We are committed to playing a leading role in tackling the climate challenge, not only in our direct operations as a carbon-neutral company; but also in our leverage as one of the world's largest institutional investors, and as a leading global insurer.

As part of our approach to sustainability management, our Group-wide Environmental Management System (EMS) enables systematic environmental data collection and controls, as well as transparent reporting. The EMS covers 91.3% of employees and is externally audited.

Our internal priorities are threefold: first, to avoid and reduce our emissions; second, to substitute with lower-carbon alternatives; and finally, to offset our remaining emissions through direct investments in high quality carbon reduction projects.

Since over 98% of our emissions come from energy consumption, travel, and paper use, the focus of our carbon reduction activities is on these areas. Increasing the energy efficiency of our office buildings plays an important role in driving down our energy use. One example is our new office in Istanbul, Turkey, which is the first Leadership in Energy and Environmental Design (LEED) Platinum certified building tower in the country.

Further information see our [Sustainability Report 2015](#) (p. 53-55 and p. 77-78).

12. The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, and how these goals have been met or will be met in the future.

Our internal priorities are: first, to avoid and reduce our emissions; second, to substitute with lower-carbon alternatives; and finally, to offset our remaining emissions through direct investments in high quality carbon reduction projects (see our [Sustainability Report 2015](#), page 54). In 2015, 301,339 credits were offset from our own projects, each one accounting for one metric ton of carbon.

Since over 98% of our emissions come from energy consumption, travel, and paper use, the focus of our carbon reduction activities is on these areas. We set ourselves a target to reduce our carbon emissions per employee by 35% by 2015 against a 2006 baseline, and to reduce the energy consumption per

employee by 10% (against a 2010 baseline). We achieved both targets and our final performance in the target year 2015 stands at 43.3% CO<sub>2</sub> and 25.7% energy reduction.

We advocate avoiding travel for non-business-critical, non-client-related meetings of less than three hours, and continue to invest in technologies that avoid the need for air travel, such as our state-of-the-art telepresence studio, as well as desktop conferencing technology. We also continue to strengthen the CO<sub>2</sub> performance of our vehicle fleet.

In 2016 we will commence implementation of our new environment targets to 2020. We will also continue to improve the quality of our environmental data and further automate reporting processes. Better data quality will be the basis for future decision-making on environmental activities and targets.

Our 2020 targets are:

- 30% reduction in carbon dioxide equivalent (CO<sub>2</sub>e) per employee (baseline 2010);
- 30% reduction in energy from our office buildings (MJ) per employee (baseline 2010); and
- -40% paper use per employee by 2020 against baseline year 2014.

For more information see our [Sustainability Report 2015](#) p. 53-57

## Key Performance Indicators to criteria 11 to 12

*Key Performance Indicator G4-EN1*

*Materials used by weight or volume. [Link](#)*

As part of the EMS at Allianz, we also monitor and manage resource-use related matters. However, in the context of our carbon footprint these impacts are not material for us (generally combined < 3% of total carbon footprint).

*Key Performance Indicator G4-EN3*

*Energy consumption within the organization. [Link](#)*

Total energy consumption (GJ): 2,577,050  
Energy consumption per employee (GJ): 18.15  
Electricity (%): 66.5  
Fossil fuels (%): 21  
Long-distance heating (%): 12.2  
Other (energy from own sources including photovoltaic, internal waste heat, fuel cells) (%): 0.3  
Green energy as a share of total energy sourced (%): 42.7

*Key Performance Indicator G4-EN8*

*Total water withdrawal by source. [Link](#)*

Total water consumption (m<sup>3</sup>) 1,917,707  
Water consumption per employee (liters) 13,508  
Drinking water (%) 85.6  
Rain water (%) 0.3  
Natural water (%) 14.1

*Key Performance Indicator G4-EN23*

*Total weight of waste by type and disposal method. [Link](#)*

Total waste (tons) 21,265  
Waste per employee (kg) 150  
Waste incinerated (%) 39.7  
Waste recycled (%) 41.8  
Waste to landfills (%) 17.8  
Special waste treatment (%) 0.7

*Key Performance Indicator EFFAS E04-01*

*Total waste in tonnes. [Link](#)*

Total waste (tons) 21,265  
Waste per employee (kg) 150

Key Performance Indicator EFFAS E05-01  
Percentage of total waste which is recycled. [Link](#)

Waste recycled (%) 41.8

Key Performance Indicator EFFAS E01-01  
Energy consumption, total. [Link](#)

Total energy consumption (GJ): 2,577,050

## Environment - Greenhouse Gas

13. The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions.

Our reporting on environmental data generally follows the Sustainability Reporting Guidelines (G4) of the Global Reporting Initiative. The Group's carbon footprint is oriented towards the GHG Protocol's Corporate Accounting and Reporting Standard. For data compilation, Allianz further applies the standards developed by the Association of Financial Institutions for Environmental Management and Sustainability (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstitutionen "VfU") as they are tailored to financial services institutions.

In 2015, the Group's carbon footprint and the five Group-level environmental indicators were independently verified by KPMG AG Wirtschaftsprüfungsgesellschaft.

We have been carbon-neutral since 2012, and in 2015 we continued to invest our offsets in a range of low-carbon initiatives including: Wildlife Works Carbon LLC, C-Quest Capital, and Rimba Raya.

We set ourselves a target to reduce our carbon emissions per employee by 35% by 2015 against a 2006 baseline, and to reduce the energy consumption per employee by 10% (against a 2010 baseline). We achieved both targets and our final performance in the target year 2015 stands at 43.3% CO<sub>2</sub> and 25.7% energy reduction.

In 2015 we had set the target of 30% reduction in carbon dioxide equivalent (CO<sub>2</sub>e) per employee (against 2010 baseline). In addition, in 2015 our green energy share of total energy sourced was 42.7%.

Additionally, Allianz Group supports the Carbon Disclosure Project (CDP) as a responding company and as an asset owner and asset manager. We were also a founding signatory of the CDP. Allianz has been listed in the Carbon Disclosure Leadership Index since 2011, and in 2015 we achieved a Disclosure Score of 100.

## Key Performance Indicators to criteria 13

Key Performance Indicator G4-EN15  
Direct greenhouse gas (GHG) emissions (Scope 1). [Link](#)

Scope 1 – Direct GHG emissions, total (CO<sub>2</sub>e metric tons) : 65,328

Key Performance Indicator G4-EN16  
Energy indirect greenhouse gas (GHG) emissions (Scope 2). [Link](#)

Scope 2 – Indirect GHG emissions, total (CO<sub>2</sub>e metric tons): 127,791

Key Performance Indicator G4-EN17  
Other indirect greenhouse gas (GHG) emissions (Scope 3). [Link](#)

Scope 3 – Other indirect GHG emissions, total (CO<sub>2</sub>e metric tons): 108,220

Key Performance Indicator G4-EN19  
Reduction of greenhouse gas (GHG) emissions. [Link](#)

43.3% CO<sub>2</sub> reduction (baseline 2006)

Key Performance Indicator EFFAS E02-01  
GHG emissions, total (Scope 1, 2). [Link](#)

Scope 1–3 GHG emissions, total (CO<sub>2</sub>e metric tons): 301,339  
Total GHG emissions per employee (CO<sub>2</sub>e metric tons) 2.12

## Society - Employee Rights

14. The company reports on how it complies with the employment rights of both nationally and internationally recognized standards and how it promotes employee involvement in sustainability management.

We actively support employee rights and strive to apply core human rights principles based on the United Nations Declaration of Human Rights throughout our worldwide organization. We are a participant of the United Nations Global Compact and have integrated its 10 principles into our globally binding Code of Conduct.

We also respect the Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises. To support employee rights, we were one of the first companies to create pan-European worker participation standards and establish a European SE Works Council under the legislation for Societas Europaea companies. We are also a signatory to the ILO's Declaration on Fundamental Rights and Principles at Work, including the ILO declaration on the freedom of association and the right to collective bargaining.

For more information about our Employment Rights please see the [Sustainability Report 2015, page 56](#) and our [United Nations Global Compact Communication on Progress](#).

15. The company discloses in what way it has implemented national and international processes and what goals it has to promote equal opportunities and diversity, occupational health and safety, the integration of migrants and people with disabilities, fair pay as well as a work-life balance.

At Allianz, we recognize the importance of having a diverse, inclusive workforce that is made up of employees from different backgrounds. We are proud to report that 61 nationalities are now represented at executive levels across the Group. Our Board of Management is committed to diversity. The Global Diversity Council is responsible for driving the success of our diversity strategy.

To accomplish this, we have implemented a number of initiatives, including those focused on gender, ethnicity, age, religion, sexual orientation, disability, education and nationality. For example, we now have LGBT (lesbian, gay, bisexual and transgender) networks at Allianz SE, Allianz Life and Allianz Worldwide Care. Allianz SE has launched an LGBT Ally Network to engage support beyond the LGBT community. Consistent with our Code of Conduct, we have a zero-tolerance policy for discrimination and harassment in the workplace. Our workforce profile, including demographic indicators such as age and gender, is shown in the employee data section.

In line with the legal quota in Germany, Allianz has set itself targets for women in top management positions in its German companies subject to co-determination. For example, Allianz sets targets for women at the first and second levels below the Board of at least 20% by June 2017. In the longer term, Allianz aims to achieve 30% at these levels in Germany. Globally, Allianz has also increased its target to 40% (from 30%) of women in the respective talent pools.

We've driven change through a range of global, regional and local initiatives. We've introduced a global talent management initiative featuring sponsorship and mentoring programs for women. We have also expanded flexible work-life programs, such as part-time employment or job sharing, providing greater opportunities to manage a career alongside family commitments.

Allianz in Brazil, Colombia, Spain, Germany and France have programs specifically designed for hiring and including people with disabilities, from general

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awareness trainings to employing people with visual impairments in call centers. Group-wide guidelines ensure that buildings, workstations and websites are accessible to wheelchair users, the blind and visually-impaired. A number of our subsidiaries actively recruit graduates with disabilities for underwriter positions, for example.

We have signed a pan-European agreement on guidelines concerning work-related stress. These apply to all Allianz companies in the E.U. member states, the contracting states of the European Economic Area, and Switzerland. Throughout the Group, we offer a variety of activities, tools and materials (for example, workshops, trainings, seminars, brochures and health-promoting activities) to support employees to prioritize health and avoid stress. Activities take place in nearly all companies and are managed at country level in line with local customs and requirements.

For further information see our [Sustainability Report 2015](#): Our role as an attractive employer p. 60 and our [United Nations Global Compact Communication on Progress](#).

*16. The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and to adapt it to demographic change.*

By promoting lifelong learning, we attract and retain our outstanding talent pool and empower employees to realize their career goals. We develop our people through a range of activities such as on-the-job learning, mentoring or coaching, classroom training workshops, and mobile learning. More than half of our employees worldwide take part in at least one targeted training session each year. Performance and development reviews continue to provide a platform for discussing an individual's competency, skills, experience, performance and potential.

For further information see our [Sustainability Reports 2015](#) p. 61-62.

## Key Performance Indicators to criteria 14 to 16

*Key Performance Indicator G4-LA6*

*Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender.*  
[Link](#)

See page 79 in our [Sustainability Report 2015](#)

*Key Performance Indicator G4-LA8*

*Health and safety topics covered in formal agreements with trade unions.* [Link](#)

We are a participant of the United Nations Global Compact and a signatory to the ILO's Declaration on Fundamental Rights and Principles at Work, including the ILO declaration on the freedom of association and the right to collective bargaining. We do not report on this specific indicator as it is not material to our business.

*Key Performance Indicator G4-LA9*

*Average hours of training per year per employee by gender, and by employee category.* [Link](#)

See page 79 in our [Sustainability Report 2015](#)

*Key Performance Indicator G4-LA12*

*Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.* [Link](#)

See our [HR Factbook 2015: Employee structure & diversity p. 11 ff.](#)

*Key Performance Indicator G4-HR3*

*Total number of incidents of discrimination and corrective actions taken.* [Link](#)

We are a participant of the United Nations Global Compact and a signatory to the ILO's Declaration on Fundamental Rights and Principles at Work, including the ILO declaration on the freedom of association and the right to collective bargaining. We do not report on this specific indicator as it is not material to our business.

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Key Performance Indicator EFFAS S03-01  
Age structure/distribution (number of FTEs per age group, 10-year intervals). [Link](#)

See page 79 in our [Sustainability Report 2015](#)

Key Performance Indicator EFFAS S10-01  
Percentage of female employees in relation to total employees. [Link](#)

Share of women (%): 52.4  
See page 79 in our [Sustainability Report 2015](#)

Key Performance Indicator EFFAS S10-02  
Percentage of female FTEs in senior positions in relation to total FTEs in senior positions. [Link](#)

Women in executive positions (%): 23.3  
Female managers (%): 36.8

Key Performance Indicator EFFAS S02-02  
Average expenses on training per FTE p.a. [Link](#)

Total expenses for employee training (€ MN): 85.3  
Training expenses per employee (€): 621

## Society - Human Rights

17. The company discloses what measures it takes for the supply chain with the aim of ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented.

As well as complying with economic sanctions in all jurisdictions where we operate, our 13 Sensitive Business Guidelines include sector-specific human rights aspects, to be checked during the due diligence process in insurance and direct investment. In addition, we have a watch list for sensitive countries where systematic human rights violations may occur. For any business in those countries we apply detailed human rights guidance.

Through the UNGC and other partnerships, we work with sector peers and wider society to tackle human rights issues. We host employee events and 'town hall meetings' on topics that have human rights aspects.

Many of the initiatives that make us a trusted company extend to our supply chain. All vendors must abide by the environmental, social and governance standards outlined in the Allianz Code of Conduct, Procurement Policy and Purchasing Principles. Both the Code and the Principles are aligned with International Labor Organization (ILO) standards and the United Nations Global Compact.

## Key Performance Indicators to criteria 17

Key Performance Indicator G4-HR1  
Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. [Link](#)

See our [Sustainability Report 2015, pages 22-24 and 75](#).

Key Performance Indicator G4-HR9  
Total number and percentage of operations that have been subject to human rights reviews or impact assessments. [Link](#)

We do not report on this specific indicator as it is not material to our business.

*Key Performance Indicator G4-HR10*  
*Percentage of new suppliers that were screened using human rights criteria. [Link](#)*

See our [Sustainability Report 2015, page 56](#).

*Key Performance Indicator G4-HR11*  
*Significant actual and potential negative human rights impacts in the supply chain and actions taken. [Link](#)*

As a company, we respect and apply international human rights standards for the workforce of our suppliers and promote sustainability standards in our supply chain. Our Global Sourcing and Procurement department works with current and potential suppliers. In practice, this means ensuring that all suppliers abide by the environmental, social and governance (ESG) standards outlined in the Allianz Code of Conduct and our Purchasing Principles. Both the Code and the Principles are aligned with International Labor Organization (ILO) standards and the principles of the United Nations Global Compact, which cover human rights, labor standards, environmental protection and anti-corruption.

## Society - Corporate Citizenship

*18. The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.*

As a global company we believe that acting as a responsible corporate citizen is good for society and good for business. By helping to build stronger and more inclusive communities, we are supporting the development of a more stable economic landscape which in turn ensures resilient markets for our products and services.

We give time, skills and money. Our employees volunteer their financial and business skills to support charitable organizations, non-profit and community organizations, or as mentors for youngsters lacking financial literacy. As a business, we make financial donations to good causes through corporate giving and through our global network of foundations. We make sure that our corporate giving is transparent and based on agreed principles – namely the Allianz Group Guidance for Donations and Charitable Memberships (Corporate Giving), supplemented by the Principles for Community Engagement.

For more information see our [Sustainability Report 2015](#): Our role as a corporate citizen p. 66 ff.

## Key Performance Indicators to criteria 18

*Key Performance Indicator G4-EC1*  
*Direct economic value generated and distributed. [Link](#)*

In 2015, our corporate donations totaled EUR 22.6 MN

## Society - Political Influence

*19. All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should also be disclosed by country in a differentiated way.*

We hold ongoing dialogue with governments and financial institutions, not only to improve our own operating environment, but also to create a stable political and economic system that will benefit our customers and other stakeholders over the long term. As well as reviewing, maintaining and creating new policy positions, we also hold conferences and events that explore global issues.

In 2015, Allianz SE merged its regulatory and political departments to form Group Regulatory Affairs and Public Policy (GRAPP). GRAPP acts as a global center of competence for all our subsidiaries and its remit is to develop regulatory and political strategy, coordinate our engagements and analyze current and emerging issues and our position.

We are committed to Germany's democracy and, for this reason, we have contributed for many years to political parties that support the social market economy. In 2015, as in the previous years, Allianz Germany contributed € 20,000 each to CDU, CSU, SPD, Greens and FDP. Their youth organizations Junge Union Deutschlands, Junge Union Bayern, Jusos, Young Greens and Young Liberals, discussing the social issues of our future, received a grant of € 10,000 each. As we donate below the German Bundestag reporting threshold of € 50,000, we publish a press release outlining our political donations. In other countries, any donations to political parties by Allianz companies are negligible but comply with the respective national legislation or conventions.

### Key Performance Indicators to criteria 19

*Key Performance Indicator G4-S06*

*Total value of political contributions by country and recipient/beneficiary. [Link](#)*

Allianz Germany contributed EUR 20,000 each to CDU, CSU, SPD, Greens and FDP. Their youth organizations Junge Union Deutschlands, Junge Union Bayern, Jusos, Young Greens and Young Liberals, discussing the social issues of our future, received a grant of EUR 10,000 each.

*Key Performance Indicator EFFAS G01-01*

*Contributions to political parties as a percentage of total revenues. [Link](#)*

Allianz Germany contributed EUR 20,000 each to CDU, CSU, SPD, Greens and FDP. Their youth organizations Junge Union Deutschlands, Junge Union Bayern, Jusos, Young Greens and Young Liberals, discussing the social issues of our future, received a grant of EUR 10,000 each.

### Society - Corruption

*20. The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, and how they are verified. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.*

Our Risk Management Framework includes compliance risk. A Compliance Management System helps us ensure compliance with internationally recognized laws, rules and regulations, while additional risk identification exercises help us continually improve our approach. We take a proactive stance, working with organizations such as the German Institute for Compliance and the Global Insurance Chief Compliance Officers Forum (CCO Forum) to enhance understanding of compliance issues and share best practice.

To ensure continuous improvement, all compliance risks are monitored and reported within the Group. Our Compliance Quality Assurance Program comprises self-assessments, onsite reviews and local spot checks and our intranet-based Compliance Case Reporting Tool provides Group-wide oversight by passing information to the Audit and Integrity Committees.

Every new employee receives a Compliance Welcome presentation and anyone can contact a compliance officer via the intranet, with hotlines set up for topical issues. Generally, for all staff, a minimum level of variable compensation is based on compliance and integrity targets. For senior executives, remuneration is linked to upholding the Code of Conduct and other compliance requirements.

All employees have access to local or Group-wide whistleblowing channels to raise concerns anonymously (unless local legal restrictions apply). A Whistleblowing Guideline provides technical guidance to ensure incoming reports are treated appropriately. Whistleblowing is part of our annual 'SpeakUp' campaign, International Fraud Awareness Week and International Anti-Corruption Day.

### Key Performance Indicators to criteria 20

*Key Performance Indicator G4-S03*

*Total number and percentage of operations assessed for risks related to corruption and the significant risks identified. [Link](#)*

We do not report on this specific indicator as it is not material to our business.

*Key Performance Indicator G4-S05*

*Confirmed incidents of corruption and actions taken. [Link](#)*

We do not report on this specific indicator as it is not material to our business.

*Key Performance Indicator G4-SO8*

*Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. [Link](#)*

Allianz manages cases and sanctions for non-compliance across our businesses globally as well as locally, using our Compliance Case Reporting Tool (CCRT). However, the information on material litigation cases would have been publicly reported in the Allianz [Group Annual Report 2015](#).